

21 June 2000

To: All ITSP BPA "Prime" Contractors & BPA "Team Partners"

From: ESC/XPK (Steve Linchey; "Corporate" ITSP Contracting Officer)

Subject: "Prohibited Practice" Regarding Labor Category Expenditures/Billing

There is another area in the performance and administration of the ITSP Task Orders that I'd like to address to ensure that no one inadvertently, or otherwise, implements an improper procedure for the purposes of supporting a Govt-user's A&AS requirements, to include resultant (loaded labor rate) manhour expenditures, and subsequent billing of the Government for such support services.

In the arena of Professional/Technical Services Contracting, there have been past instances where companies have tried to match a proposed employee "fill" for a functional support need of the Govt.-user, with a primary emphasis on what labor category's "contract loaded labor rate" will ensure that they can cover all of the liabilities they will incur in the employment of that individual, rather than ensuring that the functional duties/responsibilities (and sometimes qualifications) to be performed under that labor category are actually those that are needed to be performed to support the Govt. requirement. An example would be an instance where a Govt. requirement may necessitate the proposed use of a "Test Technician" in order to address the functional support needs of the user, but the category proposed by the "Prime" is an "Acquisition Support Specialist" (presumably because the contractual loaded labor rate of the Test Technician would not cover the "employment package" being paid the proposed company employee, yet the Acquisition Support Specialist category would ensure that they would not be "working-in-the-red").

Let me assure all who are involved in the arena of providing ITS to the Govt. Program Offices that such a practice will not be allowed, and in instances where it is identified that such is taking place, such a "false claim" would potentially be prosecuted to the fullest extent of the statute governing it. GSA/FSS IT Schedule 70 Contractors have been awarded contracts for support services whose scope is partially determined by the "breadth" of functional labor categories which are priced and included in your GSA contracts, to include the area of expertise/support duties that individuals working under those categories will be engaged in. Again, it is not acceptable for the Govt. to be billed for a "Senior Systems Analyst", if the support efforts to be provided are in the area of a "Logistician's" duties/taskings, for example. I do not believe that the concerns stated above are by any means "systemic" throughout the ITSP program, but isolated "anonymous" reports of such which reach me are enough to warrant a memo reminding both support contractors and Govt.-users of the proper analysis & selection procedures for determining a proper support contractor manpower slot "fill".

Thank You for your time and attention to this matter! Questions with regard to the above may be addressed to the undersigned.

//signed//

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